GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:344
ANSWERED ON:26.04.2007
ECONOMIC VIABILITY OF INDO- IRAN GAS PIPELINE PROJECT
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

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(a) whether the economic viability and security implications of the Indo-Iran Gas Pipeline Project have been examined;

(b) if so, the details thereof; and

(c) the steps taken to ensure safety from all angles before the pipeline is laid?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 344 BY SHRI PARSURAM MAJHI AND SHRI P.C. THOMAS TO BE ANSWERED ON APRIL 26, 2007 REGARDING ECONOMIC VIABILITY OF INDO-IRAN GAS PIPELINE PROJECT

(a) to (c): Indian side had appointed Ernst & Young as the Financial Consultant and ILF, UK as the Technical Consultant for preparation of the pre feasibility report of Iran Pakistan India Pipeline Project.

The project has been found to be feasible. The price of gas against the alternate fuel prices will determine the economic viability of the pipeline project. Iran has given a formula for determining gas price at the Iran-Pakistan border. Two other issues namely Transportation Tariff and Transit Fee are under discussion between India and Pakistan. Once these issues are decided, the price of gas at Pakistan India border would be known and then, a decision on the purchase of gas through Iran-Pakistan-India Pipeline Project will be taken. As per current indications, pipeline within Iran upto Iran-Pakistan Border will be laid and operated by an agency to be nominated by Iran. Iran has offered to sell gas at Iran-Pakistan Border and all responsibilities for the safety and security of the pipeline within Iran will vest with Iran. In the Pakistan Territory, out of 1035 KMs, 800 KMs pipeline will be carrying the gas for both Pakistan and India. The safety and security for the pipeline and gas within Pakistan would be provided by the Pakistan Government for which a Transit Fee would be levied. Discussions on all these issues are continuing.

It has been agreed that the pipeline proposed to be laid in Iran, Pakistan and India will be constructed as per the international standards incorporating all the safety features as per prescribed standards and specifications. It is envisaged to provide round-the-clock communication and supervisory control system all along the pipeline.